

# UDRP Arbitration Decisions Overridden: How *Sallen* Undermines the System

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## I. INTRODUCTION

The year: 2120. The place: Data Tribunal Headquarters. We see before us a screen with two words: Dataowner wins. This is the scene of a technology dispute being resolved in the future. It has somehow been determined that the owner of the data has superior rights to the information in dispute. How this decision will be made in the future is anyone's guess. Will the decisionmaker be human? Android? Maybe even a machine? Disputes surrounding technology are unavoidable and will likely become increasingly complex. It is impossible to predict what shape computers and technology will take in the future, let alone how disputes surrounding their use will be handled.

Perhaps in the year 2120 there will no longer be an Internet, but a much more complex human communication system with a combination of human and machine components. And perhaps society will develop the perfect dispute resolution system to settle conflicts over various aspects of technology and intellectual property. Such a development cannot come soon enough. Currently, however, we face a mishmash of forums, laws, and quasi-governmental bodies attempting to solve the global problem of cybersquatting with very conflicting results.

The Internet Corporation for Assigned Names and Numbers (ICANN) manages the Uniform Domain Name Dispute Resolution Policy (UDRP),<sup>1</sup>

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<sup>1</sup> ICANN, Uniform Domain Name Dispute Resolution Policy, at <http://www.icann.org/dndr/udrp/policy.htm> (last modified May 17, 2002) [hereinafter UDRP Policy]. ICANN is a nonprofit corporation that entered into an agreement with the United States Department of Commerce for the management of domain names. See Memorandum of Understanding Between the U.S. Department of Commerce and Internet Corporation for Assigned Names and Numbers, ICANN at <http://www.ntia.doc.gov/ntiahome/domainname/icann-memorandum.htm> (last visited Jan. 18, 2003). ICANN was formed in 1998 as a private-sector corporation by a "broad coalition of the Internet's business, technical, academic and user communities." ICANN Fact Sheet, at

which requires each person or business entity registering a domain name to submit to mandatory arbitration proceedings in the event a third party brings a complaint against the person or business entity's registration and use of the domain name.<sup>2</sup> Recent federal court decisions have created grave risks for this administrative procedure even though it has successfully decided almost 6,500 cases.<sup>3</sup>

The most harmful decision to the UDRP came in *Sallen v. Corinthians Licenciamentos LTDA*,<sup>4</sup> where the U.S. Court of Appeals for the First Circuit found that decisions under the Anticybersquatting Consumer Protection Act (ACPA) effectively "trump" rulings made through ICANN's UDRP arbitration procedure. This ruling undermines the function and purpose of ICANN's UDRP, and removes any pressure to reform the current procedures, thus decreasing the UDRP's efficiency and potency. In addition, by not giving deference to UDRP proceedings, federal courts may lose a valuable resource and turn this dispute resolution process into a burden for domain name registrants.

This Note suggests that improvements in the UDRP system are vital for the continued success of the domain name dispute resolution system. The lack of deference given to UDRP decisions (as evidenced by the *Sallen* decision) has undermined the entire ICANN arbitration process. Part II explores a brief background of the history of the Internet, common domain name disputes, and the administration of the domain name system by ICANN. Part III discusses the UDRP arbitration procedure. This section also examines the drawbacks of the UDRP system, including the criticisms that the UDRP's lack of internal appeal processes have weakened its potency and that the *Sallen* case has negatively impacted the UDRP system. Part IV explores changes to the UDRP system that should be made to improve the

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<http://www.icann.org/general/fact-sheet.htm> (last modified Feb. 17, 2001) [hereinafter Fact Sheet].

<sup>2</sup> Under *Parisi v. Netlearning, Inc.*, 139 F. Supp. 2d 745, 753 (E.D. Va. 2001), the District Court for the Eastern District of Virginia determined that "the Federal Arbitration Act's [FAA's] limitations on judicial review of arbitration awards do not apply to civil actions seeking review of UDRP panel decisions concerning domain names." The court held this because the UDRP contemplates parallel litigation, the parties in a domain name dispute have not made an agreement to have the decision confirmed by court judgment, and judicial review of UDRP decisions is not confined to a motion to vacate an arbitration award under § 10 of the FAA. *Id.* at 751-52.

<sup>3</sup> ICANN Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy, at <http://www.icann.org/udrp/proceedings-stat.htm> (last updated Jan. 17, 2003).

<sup>4</sup> *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 18 (1st Cir. 2001).

functioning of domain name dispute arbitration. Part V concludes by briefly discussing the hurdles the system must overcome and the great potential for the system's success, which is very much alive, even in the shadow of *Sallen*.

## II. HISTORY OF THE INTERNET: ADMINISTRATION AND DISPUTES

### A. Internet Basics <sup>♣</sup>

In 1965, a computer in California communicated with a computer at the Massachusetts Institute of Technology via an ordinary telephone line.<sup>5</sup> Although this seems like a mundane operation today, in 1965 it was a revolutionary concept.<sup>6</sup> The Internet started as a research project funded by the U.S. Department of Defense to ensure that its computer network would survive if enemies attacked the United States.<sup>7</sup> The Department of Defense's network system grew due to the addition of applications, such as e-mail, and users, such as educational and research groups.<sup>8</sup> After several years of increased commercial and public use, the new "network" became so large that in 1984 it required an organizational system to simplify its use.<sup>9</sup> The growing network of computers functioned to support several uses; the World

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<sup>5</sup> Jonathan Weinberg, *ICANN and the Problem of Legitimacy*, 50 DUKE L.J. 187, 192 (2000).

<sup>6</sup> *See id.*

<sup>7</sup> Sung Yang, Note, *Staking a Claim in Cyberspace: An Overview of Domain Name Disputes*, 36 WILLAMETTE L. REV. 115, 116 (2000). In the event of an attack, the government wanted to re-route data around destroyed portions of the network so the entire system would not collapse. *Id.* The Department of Defense developed a computer system called "ARPANET" that allowed constant communication during crisis or emergency situations. G. Peter Albert, Jr., *Right on the Mark: Defining the Nexus Between Trademarks and Internet Domain Names*, 15 J. MARSHALL J. COMPUTER & INFO. L. 277, 278 (1997).

<sup>8</sup> Curtis Brown & Kristen Porter, *E-Commerce Arbitration: The Solution for New Legal Issues*, METROPOLITAN CORP. COUNS., GREATER N.Y. METRO EDITION, Feb. 2000, at 32.

<sup>9</sup> Luke A. Walker, *ICANN's Uniform Domain Name Dispute Resolution Policy*, 15 BERKELEY TECH. L.J. 289, 289 (2000). As usage increased, it became evident that a uniform system matching numeric IP addresses to their associated domain names was required so people would not have to remember the numbers in the addresses. *See* Barry M. Leiner et al., *A Brief History of the Internet*, at <http://www.isoc.org/internet/history/brief.shtml> (last modified Aug. 4, 2000). This central system was developed and called the Domain Name System (DNS), which matched an entered domain name, such as [www.switchboard.com](http://www.switchboard.com), with its correct numeric address, such as 123.456.789.45. Stacey H. King, *The "Law That It Deems Applicable": ICANN, Dispute Resolution, and the Problem of Cybersquatting*, 22 HASTINGS COMM. & ENT. L.J. 453, 459 (2000).

Wide Web and e-mail servers are generally the two most widely known and utilized today.<sup>10</sup> This emergent global interconnection of networks and computers was dubbed the "Internet."<sup>11</sup>

In order for one computer to communicate with another, a numeric address called an Internet Protocol, or IP (this type of "IP" should not be confused with the "IP" of "intellectual property") must be assigned.<sup>12</sup> Because they are so long, these IP addresses are difficult to remember.<sup>13</sup> To solve this problem, domain names were substituted for IP addresses.<sup>14</sup> These easy-to-remember domain names (e.g., [www.supremecourtus.gov](http://www.supremecourtus.gov), or [www.osu.edu](http://www.osu.edu)) are also called Uniform Resource Locators (URLs).<sup>15</sup> The

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<sup>10</sup> Wayne Brooks, *Wrestling Over the World Wide Web: ICANN's Uniform Dispute Resolution Policy for Domain Name Disputes*, 22 HAMLINE J. PUB. L. & POL'Y 297, 300-01 (2001).

<sup>11</sup> *Id.* at 300; see also Donna L. Howard, Comment, *Trademarks and Service Marks and Internet Domain Names: Giving ICANN Deference*, 33 ARIZ. ST. L.J. 637, 639 (2001). Today, everyone (even kids and grandparents) can turn on their computer, link to the Internet, and be transported through the World Wide Web to sites around the world. The Internet has become a medium where we can shop for goods, retrieve newspaper articles, contact businesses, plan trips, do research, or "chat" with friends. Approximately fifty million people access the Internet every day, and the number is growing. Olivia Maria Baratta & Dana L. Hanaman, Essay, *A Global Update on the Domain Name System and the Law: Alternative Dispute Resolution for Increasing Internet Competition—Oh, the Times They Are a-Changin'!*, 8 TUL. J. INT'L & COMP. L. 325, 329 (2000).

<sup>12</sup> King, *supra* note 9, at 457 ("This number is similar to a telephone number, and other computers use this number to route messages to it.").

<sup>13</sup> *Id.* An IP is a thirty-two-bit number consisting of four octets (sets of eight binary digits). A. Michael Froomkin, *Wrong Turn in Cyberspace: Using ICANN to Route Around the APA and the Constitution*, 50 DUKE L.J. 17, 37 (2000). Especially as the Internet has grown exponentially, more IP numbers are assigned daily, making it impossible for users to remember all of the IP numbers.

<sup>14</sup> Froomkin, *supra* note 13, at 37-38. Unlike telephone numbers, domain names express meaning independent of their actual function (they identify a specific site on the Internet and help a user find the site they are looking for). Brooks, *supra* note 10, at 304-05. This combination of characteristics and functions results in many companies with trademarked names or slogans using those trademarked names as domain names to facilitate a greater number of users finding the site they desire. *Id.*

<sup>15</sup> King, *supra* note 9, at 458. URLs are what we familiarly call the web site and e-mail address. These easier to remember words function as mnemonics. Froomkin, *supra* note 13, at 38. They have aptly been called the "'user-friendly' addresses" of a computer. Michael V. LiRocchi, et al., *Trademarks and Internet Domain Names in the Digital Millennium*, 4 UCLA J. INT'L L. & FOREIGN AFF. 377, 381 (1999); Final Report of the WIPO Internet Domain Name Process, World Intellectual Property Organization, at <http://wipo2.wipo.int/process1/report/finalreport.html> (Apr. 30, 1999). This

appropriate computer hosting the desired site is contacted when a domain name is entered and subsequently converted to the IP address.<sup>16</sup>

The URLs are broken down into several parts. The last portion of the domain name is the “generic Top-Level Domain” or “TLD.”<sup>17</sup> The “Second-Level Domain” or “SLD” of a domain name is the portion which falls between the “www.” and the “top-level.”<sup>18</sup> For example, the “osu” portion of www.osu.edu. A person registering a domain name can choose this portion of a domain name and there is virtually no limit to the number of second-level names in a single top-level.<sup>19</sup> As a result, this part of the domain name results in many domain name disputes.<sup>20</sup>

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“friendliness” has also perpetuated disputes because businesses have come to assume their domain names are important trade identifiers, even brands. *Id.*

<sup>16</sup> Rebecca W. Gole, Note, *Playing the Name Game: A Glimpse at the Future of the Internet Domain Name System*, 51 FED. COMM. L.J. 403, 406 (1999); King, *supra* note 9, at 458. The process of matching domain names to an IP address is known as DNS name resolution. David C. Najarian, *Internet Domains and Trademark Claims: First Amendment Considerations*, 41 J.L. & TECH. 127 (2001); Neil Randall, *How DNS Servers Work*, PC MAG., Sept. 24, 1996, at 217.

<sup>17</sup> Froomkin, *supra* note 13, at 39; King, *supra* note 9, at 458; Yang, *supra* note 7, at 117. The generic Top-Level Domain, or TLD, is the rightmost part of a domain name. There are currently seven generic TLDs: .com (commercial); .edu (educational); .gov (U.S. Government); .int (international organizations); .mil (military); .net (Internet service/network); and .org (nonprofit organization). Froomkin, *supra* note 13, at 40; King, *supra* note 9, at 458. Efforts are underway to approve seven new TLDs: .aero, .biz, .coop, .info, .museum, .name, and .pro. ICANN announced initial approval of these new TLDs on November 16, 2000. ICANN, Press Release, ICANN Announces Selections for New Top-Level Domains, at <http://www.icann.org/announcements/icann-pr16nov00.htm> (Nov. 16, 2000). TLDs are not location specific, but generally describe categories of registered domain name holders. Brooks, *supra* note 10, at 303.

<sup>18</sup> Brooks, *supra* note 10, at 304; Froomkin, *supra* note 13, at 39; King, *supra* note 9, at 458. Any other portions of a domain name are grouped together as third-or-higher-level domains. Froomkin, *supra* note 13, at 39.

<sup>19</sup> King, *supra* note 9, at 458.

<sup>20</sup> *Id.*; see also Froomkin, *supra* note 13, at 41. Each SLD must be unique in order for the correct IP address to properly link to it. King, *supra* note 9, at 458. A domain name may be associated with several IP addresses. Froomkin, *supra* note 13, at 41. For instance, a busy website may have several back-up servers (each with different IP numbers) that take turns handling requests for a single domain name. *Id.* The exclusivity of a given domain name “leads to the inevitability that one party’s registration of a domain name prevents all others from using that domain name, even if that domain name is the same as a company’s trademark or service mark.” Brooks, *supra* note 10, at 304. “Domain names are prime real estate of the information superhighway. With the right domain [name] in hand, individuals and corporations can reap the rewards of the Internet . . . . But getting the domain name you want is not always easy.” John G. White, ICANN’s

## B. Typical Domain Name Disputes

Cybersquatters cause many domain name disputes.<sup>21</sup> “Cybersquatters are people who register others’ trademarks or typographical variations of those marks for improper purposes.”<sup>22</sup> Many variations on this basic concept lead to a wide variety of domain name disputes.<sup>23</sup> Typical cybersquatting occurs when a party intends to extort money from a trademark holder by registering a domain name that is the same as the trademark holder’s well-known product or company rather than actually registering the domain name for use by him or herself.<sup>24</sup> Cybersquatters register and later re-sell or license

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*Uniform Domain Name Dispute Resolution Policy in Action*, 16 BERKELEY TECH. L.J. 229, 229 (2001).

<sup>21</sup> See White, *supra* note 20, at 229–30.

<sup>22</sup> Lockheed Martin Corp. v. Network Solutions, Inc., 141 F. Supp. 2d 648, 651 (N.D. Tex. 2001). The dispute in *BroadBridge Media v. Hypercd.com* provides a good example of cybersquatting. *BroadBridge Media L.L.C. v. Hypercd.com*, 106 F. Supp. 2d 505 (S.D.N.Y. 2000). In this case, BroadBridge, the owner of the trademark “HyperCD,” inadvertently allowed its hypercd.com registration to lapse and thus lost its business website where it provided technical support to its customers. *Id.* at 507. The supposed “cybersquatter” seized the opportunity to register the hypercd.com domain name and proceeded to request outrageous sums of money from BroadBridge for the return of its domain name. *Id.* at 507–08. In determining that the defendant was indeed a “cybersquatter,” the court looked at the nine factors provided by Congress in 15 U.S.C. § 1125(d)(1)(B) (Anticybersquatting Consumer Protection Act) as guidance for determining bad faith intent. *Id.* at 511–12. These factors include: trademark rights of the parties, if the domain name had been used for the offering of goods and services, and the amount of money spent by the defendant in developing a brand identity. *Id.*

<sup>23</sup> White, *supra* note 20, at 229–30.

<sup>24</sup> See Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (2000); see also Brooks, *supra* note 10, at 306–07. A variation on this idea, called “cyberpirating,” occurs when a trademark is registered to a nontrademark holder in order “to capitalize on the notoriety of the famous mark” to sell his or her own product or idea. *Id.*; Gole, *supra* note 16, at 410–11. “A cyberpirate registers a domain name incorporating a variation of a trademarked term and uses it for a website that lures traffic intended for the mark owner’s site.” White, *supra* note 20, at 230. In *Christies Inc. v. Ola Ljungberg*, a World Intellectual Property Association arbitration panel ordered the transfer of the domain name www.christies.nu to the complainant, the auction house Christie’s. Adminstrative Panel Decision, *Christies Inc. v. Ola Ljungberg*, No. DNU2000-0002, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/dnu2000-0002.html> (Aug. 6, 2000). The panel determined that the domain name was confusingly similar to the trademarked “Christie’s” and was being used to lure potential customers to a different art auction business. *Id.* The registrant was interested in exploiting the goodwill of the “Christie’s” mark. *Id.* This case offers a typical example of cyberpiracy. Another famous example of registrants’ utilizing confusing domain names to promote their ideas occurred in the

domain names back to the companies that have already spent huge amounts of money in developing their trademarks.<sup>25</sup> However, conflicts increasingly arise when a legitimate trademark holder tries to capture an existing domain name from a legitimate domain name user who has already properly registered the name.<sup>26</sup> This is “reverse domain name hijacking.”<sup>27</sup> Regardless of the category of cybersquatting, the disputes are handled in the same manner.

### C. Domain Name Administration

When the Internet was relatively small, National Science Foundation volunteers, military, and government contractors managed the Domain Name System (DNS).<sup>28</sup> In June 1998, the U.S. Department of Commerce issued a Statement of Policy on the Privatization of the Internet Domain Name

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whitehouse.com case. Brooks, *supra* note 10, at 307. [Http://www.whitehouse.gov](http://www.whitehouse.gov) is the official web site of the President. [Http://www.whitehouse.com](http://www.whitehouse.com) is a pornographic site that portrayed Bill and Hillary Clinton in bondage attire. *Id.* Another type of cybersquatting is “typo-squatting” where a person registers a domain name that is a common misspelling of a well-known trademark (e.g., yafoo.com) so that web surfers reach the site by accident if they misspell the famous trademark’s domain name. White, *supra* note 20, at 230.

<sup>25</sup> *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1233 (N.D. Ill. 1996). Cybersquatting has been partially attributed to the lack of regulation by the original domain name registrar, Network Solutions, Inc. (NSI). Walker, *supra* note 9, at 293–94. Seemingly, the major problem was NSI’s policy of not checking whether a requested domain name was already trademarked by another individual or company before allowing it to be registered. *Id.* at 294–95. During NSI’s reign over the registration process, cybersquatting became so prevalent that companies utilized full-time employees to surf the Internet in search of cybersquatters. John Allen Howard, *New Developments in Internet Law: The Anticybersquatting Consumer Protection Act (ACPA) and the ICANN Dispute Resolution Policy*, 23 AM. J. TRIAL ADVOC. 735, 736 (2000).

<sup>26</sup> Brooks, *supra* note 10, at 308; Gole, *supra* note 16, at 411–12; Leiner et al., *supra* note 9.

<sup>27</sup> Brooks, *supra* note 10, at 308. An obvious example of reverse domain name hijacking exists in the Crew.com case. Administrative Panel Decision, *J. Crew Int’l, Inc. v. crew.com*, No. D2000-0054, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0054.html> (Apr. 20, 2000). An ICANN arbitration panel found that *any* prior registration of a generic trademarked name was in bad faith. *Id.* This decision paved the way for any trademark holder to accuse a domain name registrant of bad faith registration in order to have the domain name transferred. *Id.*

<sup>28</sup> Froomkin, *supra* note 13, at 51–56; Brooks, *supra* note 10, at 311–12. Because the Internet originated in the hands of organizations under government contracts, the U.S. government was “accidentally” put in control of the DNS. Froomkin *supra* note 13, at 50–51.

System, known as the DNS White Paper.<sup>29</sup> This policy indicated that a nonprofit corporation should take over the DNS and make various reforms.<sup>30</sup> The White Paper also suggested that the U.S. Government would seek support from the World Intellectual Property Organization (WIPO) in instituting a resolution process for trademark/domain name disputes involving cybersquatting and cyberpiracy (but not disputes between two parties with legitimate competing interests).<sup>31</sup>

Formed in October 1998, ICANN received authority from the U.S. Government to manage the DNS.<sup>32</sup> "It is ICANN's objective to operate as an open, transparent and consensus-based body that is broadly representative of the diverse stakeholder communities of the global Internet."<sup>33</sup> Despite many

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<sup>29</sup> Management of Internet Names and Addresses, 63 Fed. Reg. 31, 741 (June 10, 1998), available at [http://www.ntia.doc.gov/ntiahome/domainname/6\\_5\\_98dns.htm](http://www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm). This policy was the result of the abandonment of the earlier hope of issuing a substantive rule, which would require statutory authorization and would be subject to judicial review. Froomkin, *supra* note 13, at 24. Instead, this policy statement was issued, simply listing goals that were possible to achieve without the Department of Commerce going through the lengthy rulemaking process. *Id.*

<sup>30</sup> Froomkin, *supra* note 13, at 24.

<sup>31</sup> King, *supra* note 9, at 461–62. The White Paper was careful to note that where legitimate competing rights are concerned, disputes are rightly settled in an appropriate court. Management of Internet Names and Addresses, *supra* note 29, at 747. This type of conflict is common in domain name disputes and involves a simple matter of priority. Brooks, *supra* note 10, at 309. An example of this sort of case is the dispute over <http://www.gateway.com>. Gateway 2000, a large multi-million dollar computer manufacturer, attempted to acquire the domain name; however, a smaller company, Gateway.com, Inc., had already registered gateway.com as its Internet address. Brooks, *supra* note 10, at 307–08. Gateway 2000 lost in federal court because the court found that Gateway.com, Inc., had "legitimate reasons for holding the domain name." *Id.* Although both companies had legitimate reasons, the court allowed the "first-come, first-served" policy to be maintained.

<sup>32</sup> Fact Sheet, *supra* note 1. ICANN is a "coalition of the Internet's business, technical, academic, and user communities." *Id.* The ICANN Board includes nine original unelected directors and is supplemented by nine directors selected by "so-called constituency groups." Froomkin, *supra* note 13, at 24. Groups not represented on the ICANN board include Internet users and individual domain name registrants, although ICANN is working on giving limited representation to the public. *Id.* An important aspect of the development of ICANN is the absence of any statute authorizing ICANN or the "privatization" of the DNS. *Id.* at 50. The U.S. Department of Commerce has utilized its general statutory authority to legitimize ICANN. *Id.* Therefore, all legal documents surrounding the development of DNS management are "contracts, memoranda of understanding, or other bilateral agreements." *Id.* at 50–51.

<sup>33</sup> Fact Sheet, *supra* note 1. "As a technical coordinating body, ICANN's mandate is not to 'run the Internet.' Rather, it is to oversee the management of only those specific



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major changes initiated by ICANN in the management of the DNS, domain name registration remains on a first-come, first-served basis, giving broad opportunity for cybersquatting and piracy.<sup>34</sup>

The first efforts to fight cybersquatting centered on traditional trademark law and dilution claims.<sup>35</sup> While trademark owners occasionally won some cases using this “weapon,” the results were highly inconsistent.<sup>36</sup> Additionally, jurisdictional issues prevented many trademark owners from receiving justice.<sup>37</sup> “It became clear that society needed new legal institutions to resolve domain name disputes more effectively.”<sup>38</sup>

In current response to the continuing problem of cybersquatting, two legal institutions have taken shape.<sup>39</sup> The first is the Uniform Domain Name

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technical managerial and policy development tasks that require central coordination: the assignment of the Internet’s unique name and number identifiers.” *Id.*

<sup>34</sup> White, *supra* note 20, at 229–30; Brenda R. Sharton, *Domain Name Disputes: To Sue or Not to Sue*, BOSTON B.J., Sept.–Oct. 2000, at 10. The process of registering a domain name is cheap, fairly anonymous, and simple. *Id.* A person can register a domain name by simply logging on to register.com, or any other domain name registry, and paying a fee. *Id.* A registering party does not need to provide any supplemental information or answer any questions. *Id.* It is easy to provide fake contact information. *Id.* “As the famous saying goes, on the Internet, no one knows if you’re a dog.” *Id.* The cost for registering is approximately \$35 for one year, \$70 for two years, and \$150 for five years. *Id.* All of these factors (cheapness, anonymity, and simplicity) make it attractive and easy for unethical individuals to capitalize on the domain name system. “The registration of a domain name does not have any Trademark status. It is up to the requestor to be sure he is not violating anyone else’s Trademark.” Jon Postel, *Domain Name System Structure and Delegation*, Internet Engineering Task Force, at <http://www.ietf.org/rfc/rfc1591.txt?number=1591> (Mar. 1994).

<sup>35</sup> Kevin Eng, Note, *Breaking Through the Looking Glass: An Analysis of Trademark Rights in Domain Names Across Top Level Domains*, 6 B.U. J. SCI. & TECH. L. 7 (2000), available at <http://www.bu.edu/law/scitech/volume6/Eng.htm> (last visited Jan. 18, 2003); Elke Flores Suber & Michael Cukor, *Whose Cyberspace Is It Anyway? Several Forums for Ending Domain Name Disputes*, METROPOLITAN CORP. COUNS., MID-ATLANTIC EDITION, Sept. 2001, at 18.

<sup>36</sup> Suber & Cukor, *supra* note 35; see, e.g., *Panavision Int’l, L.P. v. Toeppen* 141 F.3d 1316 (9th Cir. 1998) (an early cybersquatting case). Prior to the UDRP, domain name registrars offered several avenues for recourse for trademark holders, but such opportunities were available only if the registered domain name was identical to the registered trademark. *The Use of the UDRP and the ACPA to Combat Cyberpiracy*, REC. ASS’N B. CITY OF N.Y., Spring 2001, at 204.

<sup>37</sup> Suber & Cukor, *supra* note 35. Typically, these jurisdictional issues centered on acquiring and locating jurisdiction over the registrant. *Id.*

<sup>38</sup> White, *supra* note 20, at 231.

<sup>39</sup> Pamela Wong, *Where to File? Strategic Considerations When Filing Your Domain Dispute*, 12 J. CONTEMP. LEGAL ISSUES 553, 553 (2001). Other dispute

Dispute Resolution Policy (UDRP),<sup>40</sup> an administrative proceeding created by ICANN. The second is the Anticybersquatting Consumer Protection Act (ACPA), federal statutory law.<sup>41</sup> The major difference between these two avenues of recourse is in the remedies available.<sup>42</sup> The UDRP provides two possible remedies for victims of cybersquatting: cancellation, and transfer of

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resolution systems have attempted to fix the domain name dispute quandary with little luck. *Id.*

<sup>40</sup> UDRP Policy, *supra* note 1.

<sup>41</sup> Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1114(2)(D)(v) (2000). The ACPA offers trademark owners, as well as individuals with famous names, a weapon in fighting off cybersquatters. Suber & Cukor, *supra* note 35. The ACPA was enacted to protect "consumers and American businesses, to promote the growth of online commerce, and to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks as Internet domain names with the intent to profit from the goodwill associated with such marks." S. REP. NO. 106-140, at 4 (1999). Under the ACPA, a plaintiff must allege: (1) ownership of a famous or distinctive mark, (2) defendant's registration of the identical or confusingly similar mark as a domain name, and (3) defendant's bad faith intent to profit from the mark. 15 U.S.C. § 1125(2)(D). With respect to bad faith intent to profit, the ACPA provides a nonexclusive, nine-point list of factors that a court may consider. *Id.* To initiate a suit under the ACPA, the plaintiff can file a complaint in any court with jurisdiction to enforce the Lanham Act at any time during or subsequent to UDRP proceedings. *Id.* Once a complaint has been filed and jurisdiction established, the ordinary courtroom procedure is followed, including rules of discovery, motions for summary judgment, and pretrial conferencing. Wong, *supra* note 38, at 555. Many considerations go into the decision of whether to bring the claim in a UDRP arbitration or litigate under the ACPA, including: jurisdictional issues, goals of the plaintiff, control over the process, and the financial position of the plaintiff. *Id.* at 557.

<sup>42</sup> While several justifications have been suggested for the existence of two seemingly overlapping mechanisms, there seems to be no clear-cut answer as to why both the UDRP and the ACPA exist. At least one legal scholar has suggested that Congress acted too quickly in passing the ACPA before the UDRP could prove itself. Alanna C. Rutherford, *Sporty's Farm v. Sportsman's Market: A Case Study in Internet Regulation Gone Awry*, 66 Brook. L. Rev. 421, 453 (2000). Rutherford continues the hypothesis by suggesting that Congress wanted a more punitive method of punishing cybersquatters than the UDRP provided. *Id.* Others have suggested that the main difference between the two is that the ACPA targets cases under the United States' jurisdiction, while the UDRP is more of an international remedy. Lisa M. Sharrock, Note, *The Future of Domain Name Dispute Resolution: Crafting Practical International Legal Solutions from Within the UDRP Framework*, 51 Duke L.J. 817, 824-29 (2001). "The ACPA's in rem provision provides that a trademark holder may proceed in rem against any domain name in the judicial district in which the domain name registry is located." *Id.* at 824-25. Registering a domain name with an ICANN-approved registrar in a country other than the United States would allow a cybersquatter to evade the reaches of the ACPA. *Id.* at 825-26. Some suggest this is where the UDRP becomes important. *Id.* at 828-29.

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ownership of the offending domain name.<sup>43</sup> The ACPA, on the other hand, offers further remedies for trademark holders. The ACPA not only provides for cancellation and transfer of the domain name, but it also allows for traditional trademark law remedies and damages (*e.g.*, injunctive relief, money damages, etc.).<sup>44</sup>

### III. THE UDRP

#### A. Uniform Domain Name Dispute Resolution Policy (UDRP)

Taking into account recommendations made by the WIPO, ICANN adopted the Uniform Domain Name Dispute Resolution Policy (UDRP) on October 24, 1999.<sup>45</sup> In order to register a domain name with an authorized registrar, the person or business entity must agree to abide by ICANN's UDRP.<sup>46</sup> The Policy requires that all registrants in the .com, .net, and .org TLDs and their customers participate in the UDRP when a third party initiates a proceeding.<sup>47</sup> Under the UDRP, a party must "submit to a 'mandatory administrative proceeding' if a domain name is similar to a trademark and a complainant alleges that the domain name holder has no legitimate interest in the name."<sup>48</sup>

The Policy requires parties to resolve most trademark-based domain name disputes by arbitration before a registrar can cancel, suspend, or transfer a domain name.<sup>49</sup> ICANN's arbitration proceeding begins with the

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<sup>43</sup> Suber & Cukor, *supra* note 35.

<sup>44</sup> *Id.* The ACPA provides for statutory damages between \$1,000 and \$100,000 per domain name. Steve R. Borgman, *The New Federal Cybersquatting Laws*, 8 TEX. INTELL. PROP. L.J. 265, 269–70 (2000) (outlining the bad faith requirement of the ACPA).

<sup>45</sup> King, *supra* note 9, at 468.

<sup>46</sup> UDRP Policy, *supra* note 1. There are over eighty organizations accredited by ICANN to serve as registrars of Internet domain names. Vernon W. Johnson III, *Drawbacks to UDRP Hearings*, NAT. L.J., Oct. 22, 2001, at C10.

<sup>47</sup> White, *supra* note 20, at 232.

<sup>48</sup> Christopher R. Perry, Note, *Trademarks as Commodities: The "Famous" Roadblock to Applying Trademark Dilution Law in Cyberspace*, 32 CONN. L. REV. 1127, 1154–55 (2000). According to the Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy, the UDRP was intended to establish a "streamlined, inexpensive administrative dispute-resolution procedure." See Second Staff Report on Implementation Documents for the Uniform Dispute Resolution Policy, at <http://www.icann.org/udrp/udrp-second-staff-report-24oct99.htm> (last modified Oct. 25, 1999) [hereinafter Second Staff Report].

<sup>49</sup> UDRP Policy, *supra* note 1, at § 3. In addition, the registrant agrees in the registration agreement that the domain name will be cancelled or transferred if another

filing of a complete complaint, along with fees, by any party with an approved "dispute resolution provider."<sup>50</sup> There are currently four ICANN-approved dispute resolution providers: the World Intellectual Property Organization (WIPO), the National Arbitration Forum (NAF), CPR Institute for Dispute Resolution (CPR), and the Asian Domain Name Dispute Resolution Centre (ADNDRC).<sup>51</sup> An arbitration panel decides the dispute based solely on information submitted in the complaint, answer, and "any rules and principles of law that [the panel of arbitrators] deems applicable."<sup>52</sup>

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person (a "complainant") brings a proceeding under the UDRP and the arbitration panel orders such relief after considering the case on the merits. *Id.*

<sup>50</sup> ICANN: Rules for Uniform Domain Name Dispute Resolution Policy, at <http://www.icann.org/udrp/udrp-rules-24oct99.htm> (approved Oct. 24, 1999) [hereinafter UDRP Rules]. Section 3(b)(i)–(xv) of the Policy lists the information that must be included in the complaint. *Id.* The requirements of a complaint include the following: (a) the name, address and other contact information of the Complainant, (b) the choice of a single-member or three-member arbitration panel, (c) the name and contact information of the Respondent, (d) the domain name in dispute, (e) the trademark which the complaint is based, (f) the grounds on which the complaint is made, (g) the remedies sought, and (h) any other legal proceedings that have been commenced or terminated in connection with the domain name subject to the complaint. *Id.*

<sup>51</sup> ICANN, Approved Providers for Uniform Domain Name Dispute Resolution Policy, at <http://www.icann.org/udrp/approved-providers.htm> (last modified Mar. 1, 2002). The WIPO has decided the most cases as of the year 2001, followed by NAF, CPR and ADNDRC. See ICANN, List of Proceedings Under Uniform Domain Name Dispute Resolution Policy, UDRP Proceedings, at <http://www.icann.org/udrp/proceedings-list-number.htm> (last modified Jan. 17, 2003). WIPO is popular with trademark owners because most of its panelists are lawyers or professors who are experienced in trademark law. WIPO, WIPO Domain Name Panelists, at <http://arbiter.wipo.int/domains/panel/panelists.html> (last modified Jan. 18, 2003); see also Tamara Loomis, *Domain Names: Disputes Get Swift Resolution Under UDRP*, N.Y. L.J., July 27, 2000, at 6. Each provider has a different fee schedule. NAF charges \$1,150 for a single panelist to hear a case involving one disputed domain name. NAF, Schedule of Fees, at <http://www.arb-forum.com/domains/fees.asp> (last visited Jan. 18, 2003). CPR charges \$2,000 for the same service. CPR Institute for Dispute Resolution, CPR's Supplemental Rules and Fee Schedule, at <http://www.cpradr.org> (last visited Jan. 18, 2003). Different rates apply for three-person panels and multiple domain names. *Id.*

<sup>52</sup> UDRP Rules, *supra* note 50, at § 15(a). This language suggests "the panel is not obligated to determine a specific applicable law, but is free to select rules and principles of law from more than one jurisdiction and that the panel is given almost unlimited discretion in the selection of such rules." M. Scott Donahey et al., *ICANN Update*, CYBERSPACE LAW., (Oct. 14, 2000–Nov. 15, 2000), at 25. International commercial arbitration has begun to follow this approach in determining rules of law. *Id.* at n.2. Such an approach has been criticized for creating a "maze of . . . decisions that, in the absence of any overriding organization, collide and conflict." Jo Saxe Levy, *Precedent and Other Problems with ICANN's UDRP Procedure*, CYBERSPACE LAW., April 2001, at 20.

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The UDRP arbitration process usually takes a couple of months to complete.<sup>53</sup>

ICANN had three main objectives in adopting the UDRP.<sup>54</sup> The first was to eliminate the multiple jurisdictions and laws applied to cybersquatting disputes.<sup>55</sup> The second was to reduce the cost of resolving domain name disputes.<sup>56</sup> Finally, and most importantly, ICANN intended to target narrowly the most blatant forms of cybersquatting, leaving other disputes to the courts.<sup>57</sup> By only applying the UDRP to a narrow class of cases, ICANN intended to prevent objections to its replacement of a national law with a global one.<sup>58</sup>

Three elements must be proven for a complainant to succeed under ICANN proceedings:<sup>59</sup> (1) the respondent's "domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights,"<sup>60</sup> (2) the respondent has "no rights or legitimate interests in

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Proceedings are generally conducted via e-mail, however, the arbitration panel or the parties may request an in-person hearing. *Id.*

<sup>53</sup> Howard, *supra* note 11, at 657; *see also* Brooks, *supra* note 10, at 317; Suber & Cukor, *supra* note 35. This timeframe can be contrasted with the traditional time and expense of litigation. Parties who desire to take their domain name dispute to trial can expect to finance at least a year, possibly two years, of litigation. Wong, *supra* note 39, at 555. A potential plaintiff must also weigh the cost of devalued goodwill each day the "offending" website is up and running. *Id.* A faster process may be especially important if the website is diverting business or is especially harmful to the trademark.

<sup>54</sup> Brooks, *supra* note 10, at 317.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> *Id.* at 319. These "other" disputes include those where legitimate competing rights are concerned, as discussed in the White Paper. *See* King, *supra* note 9.

<sup>58</sup> *Id.* "The UDRP was to be a quick, easy and cheap method to handle the simplest—and, it was hoped, a majority—of domain name disputes." Brooks, *supra* note 10, at 319.

<sup>59</sup> UDRP Policy, *supra* note 1, at § 4(a)(i)–(iii).

<sup>60</sup> To determine whether a domain name is identical or confusingly similar to a mark, an arbitration panel simply compares the mark in question to the domain name at issue, ignoring the various lines of business in which each is used, or the geographic region where each is used. Administrative Panel Decision, Plan Express Inc. v. Plan Express, No. D2000-0565, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0565.html> (July 17, 2000). As long as the domain name and the trademark are deemed identical, a further analysis is not attempted in order to determine whether there is actual potential consumer confusion. Robert A. Badgley, *Internet Domain Names and ICANN Arbitration: The Emerging "Law" of Domain Name Custody Disputes*, 5 TEX. REV. L. & POL. 343, 358 (2000).

respect of the domain name,”<sup>61</sup> and (3) the respondent’s “domain name has been registered and is being used in bad faith.”<sup>62</sup>

Even though the UDRP provides many benefits to its users, these benefits come at a price. The UDRP, as it exists today, represents a policy trade-off.<sup>63</sup> The mandatory proceedings make it cheaper and easier to challenge domain name abuses.<sup>64</sup> However, the cheaper, easier proceedings also provide opportunity for “reverse domain name hijacking.”<sup>65</sup> Because it is so easy to register a complaint, many trademark holders “bully” their way into owning domain names which they have no real interest in utilizing.<sup>66</sup>

### B. Drawbacks to the Current UDRP System

While the ICANN’s goals of lowering costs and simplifying the domain name dispute resolution procedure are lofty and noble, more critics than predicted have emerged. Some of the proffered criticisms are outside the scope of this Note, but are worth mentioning. Substantively, the UDRP faces criticism for violating U.S. antitrust law.<sup>67</sup> There are also critics who claim that the UDRP is used to violate the First Amendment.<sup>68</sup>

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<sup>61</sup> A UDRP respondent is found to have a legitimate interest in a domain name if he is “making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark.” UDRP Policy, *supra* note 1, at 4(c)(iii).

<sup>62</sup> Because the ICANN cases are decided based on pleadings and exhibits, the bad-faith determination sometimes must be reached through inference rather than direct evidence. Badgley, *supra* note 60, at 380. However, ICANN panels have refrained from drawing that inference without some backup evidence. *Id.*

<sup>63</sup> Dr. Milton Mueller, *Rough Justice: An Analysis of ICANN’s Uniform Dispute Resolution Policy*, 3–5 (July 17, 2001), available at <http://dcc.syr.edu/miscarticles/roughjustice.pdf>.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> Two portions of the UDRP seem to target this risk. First, if the panel decides the complaint was brought in bad faith or to harass the domain name holder, “the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.” UDRP Rules, *supra* note 50, at § 15(e). Second, a ten-day period in which to seek a court review of the panel’s ruling is believed by ICANN to address reverse domain name hijacking. See Second Staff Report, *supra* note 48, at § 4.10. It should also be noted that the complainant bears the burden of proving bad faith registration and use, which should lower the occurrence of reverse domain name hijacking. *Id.*

<sup>67</sup> Perry, *supra* note 48, at 1156; see also Dugie Standeford, *ICANN Not Immune From Antitrust Laws but Hasn’t Broken Them*, WASH. INTERNET DAILY, Jan. 2, 2002, at 1. ICANN’s decisions to limit the number of TLDs and force registrars to adopt the

### 1. *Lack of Precedent*

A variety of other complaints about the UDRP arbitration procedure have emerged, but perhaps none is as pressing as the idea that no uniform rules are available to guide arbitration panels in their decisions.<sup>69</sup> This criticism is compounded by the lack of appellate procedure to resolve conflicts or inconsistencies between two or more UDRP decisions.<sup>70</sup> In the first three years of operation, the UDRP heard almost 6,500 complaints involving just under 11,000 domain names.<sup>71</sup> Although the UDRP Rules do not require

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UDRP for cybersquatting disputes have been the impetus of the current antitrust criticism. *Id.* Before the UDRP, domain name registrars (licensed organizations that register individual domain names on behalf of ICANN) could provide competitive services to their customers based on different domain name dispute resolution processes. *Id.* Now, the registrars are bound by the constraints of the UDRP. *Id.*

<sup>68</sup> Najarian, *supra* note 16, at 130; Perry, *supra* note 48, at 1156. The main argument is that domain names are constitutionally protected free speech and should therefore not be transferred or cancelled, especially if they are leading to a site which is exercising a protected right to express criticism of the government or an employer. However, because an expressive element has not been found to be present in domain names, a First Amendment defense to trademark claims is precluded. Najarian, *supra* note 16, at 130. The result is that the UDRP could strip legitimate criticism web sites of their domain names. Perry, *supra* note 48, at 1156. Legitimate criticism sites are those that attack a company's practices, or environmental record or other controversial aspect. *Id.* Some UDRP arbitrators have found these sites lack legitimate interests, although First Amendment rights are arguably violated as a result. *Id.* "A cite designed to attack a company's labor practices, or its environmental record . . . might be considered to show an intent . . . to tarnish a mark." *Id.* (quoting A. Michael Froomkin, *Consensus Has Not Been Established on Dispute Policy* (Oct. 18, 1999), archived at <http://www.icannwatch.org>). In the case of *E. & J. Gallo Winery v. Hanna Law Firm*, the ICANN panel noted that alternative sites that did not infringe on the Bartles & Jaymes trademark were available for the free expression of complaints against the company. Administrative Panel Decision, *E. & J. Gallo Winery v. Hanna Law Firm*, No. D2000-0615, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0615.html> (Aug. 3, 2000). The panel found that although the respondent claimed he was using the domain names *bartlesandjaymes.com* and *bartlesandjaymes.net* as a constitutionally protected Consumer Advocacy Free Speech complaint site, it was not a legitimate use, and therefore the domain names were transferred to the complainant. *Id.*

<sup>69</sup> Levy, *supra* note 52, at 20. Rule 15(a) provides minimal guidance in that the Panel shall decide the matter "in accordance with this Policy, these Rules and any principles of law that it deems applicable." UDRP Rules, *supra* note 50, §15 (a). This allows each panel great deference in deciding if the four elements have been established.

<sup>70</sup> Levy, *supra* note 52, at 20.

<sup>71</sup> ICANN Statistical Summary of Proceedings Under Uniform Domain Name Dispute Resolution Policy, *supra* note 3. The reason for the overabundance of domain

arbitrators to give deference to prior decisions, it has become commonplace for parties and panels to cite to prior decisions as if they were binding precedent.<sup>72</sup> However, the sheer number of decisions and the lack of a commercial database to search decisions have resulted in many conflicts and inconsistencies.<sup>73</sup> For example, there is no decision defining what “use of a domain name” includes.<sup>74</sup> Some panels have found “use” to include the passive holding of a name.<sup>75</sup> Others have mandated a minimum of proof of an offer to sell the name.<sup>76</sup> While this lack of consistent precedent is the norm for traditional arbitration, it is particularly troublesome where very similar cases appear with great regularity, as they do in most UDRP arbitration cases. Inconsistency creates a burden on registering parties to find arbitration decisions to rely on in registering future domain names.<sup>77</sup>

Using prior cases as precedent implicates an entirely separate realm of difficulties. “One might argue that practitioners now have a duty to research and cite prior UDRP decisions in order to promote their clients’ best

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names involved in comparison to the number of complaints is that many disputes involve more than one domain name. Many individuals register many famous trademarks as domain names hoping to sell them for a profit. While some may argue that this is mere capitalism at its best, courts and Congress have called it extortion and have sought for ways to stop the practice. See *Panavision Int’l v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998). In *Panavision*, the seminal multiple-cybersquatter was Mr. Dennis Toeppen who registered hundreds of trademarks as domain names, including Delta Airlines, Neiman Marcus, Eddie Bauer, Lufthansa, and Panavision. *Id.*

<sup>72</sup> *Levy*, *supra* note 52, at 20. According to one source, about one-third of all UDRP decisions now include citations to prior decisions. *Id.* A commercial reporter is now being published which provides summaries of key UDRP decisions for a fee. *Id.*

<sup>73</sup> Even though there are a limited number of issues that can actually be interpreted differently under the UDRP, in a short time “a maze of international domain name decisions that, in the absence of any overriding organization, collide and conflict” will emerge. *Levy*, *supra* note 52, at 20.

<sup>74</sup> See Administrative Panel Decision, *Telstra Corp. v. Nuclear Marshmallows*, No. D2000-0003, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0003.html> (Feb. 18, 2000); Administrative Panel Decision, *World Wrestling Federation v. Bosman*, No. D99-0001, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/1999/d1999-0001.html> (Jan. 14, 2000).

<sup>75</sup> *Telstra Corp.*, Administrative Panel Decision No. D2000-0003, at 7.12(v).

<sup>76</sup> *Bosman*, Administrative Panel Decision No. D99-0001, at 6.

<sup>77</sup> See *Clarify UDRP Goals, Consider Default and Appeal Policies, IP Experts Recommend*, WASH. INTERNET DAILY, Jan. 14, 2002, at 1. Inconsistency creates a very unstable environment in which both individuals registering domain names and trademark owners are forced to operate. The ability to predict the consequences of registering a certain name or challenging the registration of a name is frustrated by this lack of precedent.



interests.”<sup>78</sup> This practice could undermine ICANN’s objective of providing a fast and inexpensive means for resolving domain name disputes.<sup>79</sup> In addition, arbitrators would spend great amounts of time in this endeavor, thus lengthening the entire process. Additionally, many of the decisions are in foreign languages, further complicating the process.<sup>80</sup> Regardless of how cumbersome the process of creating reliable precedent seems, it is an issue that ICANN must examine.

Moreover, while most UDRP arbitrators hand down rulings that closely comply with the Uniform Policy, if a poor decision comes from a panel, there are no appellate procedures in place to remove it as precedent.<sup>81</sup> “A bad decision not only works an injustice in the case at hand, but it also has the potential of being followed as precedent by later ICANN panels who are mindful of the goal to create a cohesive body of case law within the ICANN regime.”<sup>82</sup>

## 2. Lack of Appeal Process

Because there is no internal UDRP appellate process, parties who are dissatisfied with the outcome must seek judicial resolution. The UDRP gives

<sup>78</sup> Levy, *supra* note 52, at 20.

<sup>79</sup> *Id.* Because of the increasing number of domain name disputes filed under the UDRP, wading through all of the published decisions to find relevant “rules” of law has become very difficult and time consuming. *Id.* However, there is a legitimate interest for all parties involved in having a stable, certain set of rules upon which to rely for future disputes. Orrie Dinstein & Elisabeth Capuyns, *Pitfalls in ICANN’s Domain Name Dispute Policy*, N.Y.L.J., Sept. 19, 2000, at 37. “Lack of certainty . . . threatens to undermine ICANN’s Policy and the public confidence in it.” *Id.*

<sup>80</sup> Determining the “rules and principles of law that [the panel] deems applicable” when the parties are from different countries is often difficult. The rationale that has been followed most often is that the “case is to be resolved by a direct and exclusive application of the Policy and its Rules.” Administrative Panel Decision, SGS Société Général de Surveillance S.A. v. Inspectorate, No. D2000-0025, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0025.html> (Mar. 17, 2000), at 6.3.2.2. This indicates that no thought is given to any one country’s statutes or case law in determining the principles of law that will be applicable. Other panels have said that the law of the country of which the respondent is a resident is controlling. Administrative Panel Decision, Capcom Co. Ltd. and Capcom U.S.A. Inc. v. Dan Walker, No. D2000-0200, WIPO Arbitration and Mediation Center, at <http://arbiter.wipo.int/domains/decisions/html/2000/d2000-0200.html> (May 1, 2000), at 7.

<sup>81</sup> Badgley, *supra* note 60, at 390.

<sup>82</sup> *Id.* Unlike a judicial system, no appellate procedure exists to resolve conflicts or inconsistencies between two or more UDRP decisions. *Id.* Resolving such conflicts is the typical role appellate courts serve in our American judicial system.

each party ten days to appeal a Panel decision to a court before domain name transfer or cancellation.<sup>83</sup> If, within the ten days, ICANN receives documentation that a lawsuit has been commenced, it will not implement the Administrative Panel's decision and will wait for further evidence of a resolution or court order.<sup>84</sup> Under Rule 3 of the UDRP, the losing party can appeal the decision to a court of "Mutual Jurisdiction."<sup>85</sup> A court of mutual jurisdiction is a court situated in the same jurisdiction as either the principal office of the Registrar, or the address of the domain name holder (the domain name holder's address is shown in the registrar's Whois database).<sup>86</sup> UDRP also permits a trademark owner to seek judicial resolution of a domain name dispute before or after a UDRP administrative proceeding.<sup>87</sup>

### 3. UDRP Decisions Are Not Given Deference and Do Not Preempt Litigation

Recent case law has held that UDRP procedures do not preempt litigation at any time or in any respect.<sup>88</sup> Nothing prevents a party who has lost a case before a UDRP arbitration panel from filing an ACPA action.<sup>89</sup> Federal courts do not give UDRP decisions any deference in subsequent ACPA proceedings. Four major cases have contributed to this unfortunate result.<sup>90</sup> Prior to these four cases, parties were unsure whether the UDRP was

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<sup>83</sup> UDRP Policy, *supra* note 1, at § 4(a)(k).

<sup>84</sup> *Id.*

<sup>85</sup> UDRP Rules, *supra* note 50, at § 3(xiii). "A court of law, however, is more likely to look to its own precedent than to interpret prior ICANN decisions." Levy, *supra* note 52, at 20. An internal appellate system would save time by having an appeals authority simply pass judgment on the prior arbitration decision. Such a system would diminish the likelihood that the original arbitration decision would be simply ignored, the likely outcome if the case went into the federal court system.

<sup>86</sup> Levy, *supra* note 52, at 20.

<sup>87</sup> UDRP Rules, *supra* note 50, at § 4(k).

<sup>88</sup> *BroadBridge Media v. Hypercd.com*, 106 F. Supp. 2d 505, 508–09 (S.D.N.Y. 2000); *Weber-Stephen Prods. v. Armitage Hardware*, 2000 U.S. Dist. LEXIS 6335, at \*7 (N.D. Ill. May 3, 2000); *Parisi v. Netlearning*, 139 F. Supp. 2d 745, 751 (E.D. Va. 2001); *Sallen v. Corinthians Licenciamentos LTDA*, 273 F.3d 14, 26–27 (1st Cir. 2001).

<sup>89</sup> Thus, even though a UDRP proceeding may be relatively inexpensive and fast, it may yield a useless result if the domain name registrant is a committed adversary.

<sup>90</sup> *BroadBridge Media*, 106 F. Supp. 2d at 508–09; *Weber-Stephen Prods.*, 2000 U.S. Dist. LEXIS 6335 at \*7; *Parisi*, 139 F. Supp. 2d at 752; *Sallen*, 273 F.3d at 26–27.

designed to preempt ongoing litigation, or the appropriate weight a panel decision would receive in court.<sup>91</sup>

Two very telling cases were decided in the year 2000. The court in *BroadBridge Media, LLC v. Hypercd.com* decided that a plaintiff that has filed an ICANN administrative proceeding is permitted, before, during, and after filing such a proceeding, to bring an action in federal court.<sup>92</sup> *Weber-Stephen Products Co. v. Armitage Hardware* further expanded the ability of a federal court to hear a UDRP case.<sup>93</sup> The court concluded not only that the UDRP contemplated the possibility of parallel proceedings in federal court, but also that federal courts were “not bound by the outcome of the ICANN administrative proceedings.”<sup>94</sup>

Another very important decision was handed down in *Parisi v. Netlearning*.<sup>95</sup> In that case, not only did the court conclude that a UDRP proceeding is not final, but it held that a decision made by a UDRP arbitration panel should not receive the significant deference accorded to arbitration decisions generally under the Federal Arbitration Act.<sup>96</sup> The court

<sup>91</sup> Johnson, *supra* note 45, at 4–5. The first three cases, *BroadBridge Media*, 106 F. Supp. 2d at 508, *Weber-Stephen Prods.*, 2000 U.S. Dist. LEXIS 6335 at \*4–5, and *Parisi*, 139 F. Supp. 2d at 745, contributed to the conclusion that UDRP arbitration panel’s decisions were nonbinding in the sense that a subsequent (or even contemporaneous) court proceeding was not precluded. However, it was not clear until *Sallen v. Corinthians Licenciamentos* what weight was to be given to an arbitration decision during a subsequent court proceeding. *Sallen*, 273 F.3d at 26–27.

<sup>92</sup> *BroadBridge Media*, 106 F. Supp. 2d at 508–09. The court held that 4(k) of the UDRP did not preclude a trademark owner from filing suit under the ACPA during a pending UDRP proceeding. *Id.* Because the court found the ICANN Policy did *not* state that a complainant gives up the right to proceed in court, they denied the registrant’s motion to dismiss. *Id.*

<sup>93</sup> *Weber-Stephen Prods.*, 2000 U.S. Dist. LEXIS 6335, at \*7. In this case, the trademark holder decided to simultaneously pursue a claim under the UDRP and file suit under the ACPA. *Id.* at 1–3.

<sup>94</sup> *Id.* at 7. The *Weber-Stephen* court failed to determine the precise standard of review for UDRP proceedings. *Id.*

<sup>95</sup> *Parisi*, 139 F. Supp. 2d at 745.

<sup>96</sup> *Id.* at 752. Under the Federal Arbitration Act (FAA), a “contract [containing a mandatory arbitration clause] evidencing a transaction involving commerce . . . is valid, irrevocable, and enforceable.” Federal Arbitration Act, 9 U.S.C. § 2 (2000). The FAA has been interpreted by the Supreme Court as a “contractual approach” to arbitration law, and therefore, arbitration agreements are upheld like any other contracts. Stephen J. Ware, *Domain-Name Arbitration in the Arbitration-Law Context: Consent To, and Fairness In, the UDRP*, 6 J. SMALL & EMERGING BUS. L. 129, 131–32 (2002). Several characteristics of the UDRP make it different from the usual arbitration clauses that fall under the FAA, which are not subject to de novo judicial review. *Id.* at 145–49. From the outset, the UDRP does not deem the clause an “arbitration” clause, but rather a “mandatory

stated that the Federal Arbitration Act was inapplicable to disputes under the UDRP, especially since the UDRP itself contemplates parallel litigation.<sup>97</sup>

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administrative proceeding.” *Id.* at 145. In addition, it does not cover a broad range of disputes, only complaints of domain name infringement on a trademark. *Id.* at 146. The most important difference, which evidently removes UDRP proceedings from FAA control, is that “UDRP proceedings are subject to de novo review in court.” *Id.*; *Parisi*, 139 F. Supp. 2d at 752; *Strick Corp. v. Strickland*, 162 F. Supp. 2d 372, 347 (E.D. Pa. 2001).

<sup>97</sup> *Parisi*, 139 F. Supp. 2d at 745. “De novo judicial review seems to be the best interpretation of the UDRP which provides for ‘independent resolution’ by a court either before or after a mandatory administrative proceeding is concluded.” Ware, *supra* note 96, at n.129. UDRP, section 4(k) provides:

k. Availability of Court Proceedings. The mandatory administrative proceeding requirements set forth in Paragraph 4 shall not prevent either you or the complainant from submitting the dispute to a court of competent jurisdiction for independent resolution before such mandatory administrative proceeding is commenced or after such proceeding is concluded. If an Administrative Panel decides that your domain name registration should be canceled or transferred, we will wait ten (10) business days (as observed in the location of our principal office) after we are informed by the applicable Provider of the Administrative Panel’s decision before implementing that decision. We will then implement the decision unless we have received from you during that ten (10) business day period official documentation (such as a copy of a complaint, file-stamped by the clerk of the court) that you have commenced a lawsuit against the complainant in a jurisdiction to which the complainant has submitted under Paragraph 3(b)(xiii) of the Rules of Procedure. (In general, that jurisdiction is either the location of our principal office or of your address as shown in our Whois database. See Paragraphs 1 and 3(b)(xiii) of the Rules of Procedure for details.) If we receive such documentation within the ten (10) business day period, we will not implement the Administrative Panel’s decision, and we will take no further action, until we receive (i) evidence satisfactory to us of a resolution between the parties; (ii) evidence satisfactory to us that your lawsuit has been dismissed or withdrawn; or (iii) a copy of an order from such court dismissing your lawsuit or ordering that you do not have the right to continue to use your domain name.

In *Parisi*, a UDRP arbitration panel found in favor of the trademark holder and ordered the transfer of the domain name “netlearning.com.” *Parisi*, 139 F. Supp. 2d at 748. The party originally registering the domain name filed a declaratory judgment action seeking a declaration that his use of the name was lawful. *Id.* The trademark holder’s motion to dismiss on the basis that the complaint was really a motion to vacate an arbitration award in violation of the FAA was denied by the court. *Id.* at 749. The judge distinguished between “binding” and “nonbinding” arbitration, and found that the extreme deference of the FAA was limited to “proceedings intended by the contracting parties to be binding,” and the UDRP administrative proceedings were not intended to be binding. *Id.* at 750–52.

## a. Sallen v. Corinthians Licenciamentos LTDA

The U.S. Court of Appeals for the First Circuit addressed the question of how much deference should be accorded to UDRP decisions on December 5, 2001, in *Sallen v. Corinthians Licenciamentos LTDA*.<sup>98</sup> In this case, Sallen, the losing party in a UDRP proceeding who was facing a domain name transfer to a trademark holder, filed a complaint in federal court seeking injunctive relief.<sup>99</sup> Corinthians Licenciamentos, the trademark holder, sought to dismiss the complaint because it claimed it had no intention to sue Sallen under the ACPA; therefore, there was no threat of suit.<sup>100</sup> The U.S. District Court for the District of Massachusetts dismissed the complaint for lack of subject matter jurisdiction, finding that no case or controversy existed.<sup>101</sup>

In this case of first impression, the court was asked to decide the issue of whether a domain name registrant, who had lost in a UDRP proceeding, could bring an action in federal court seeking to override the result of the earlier UDRP proceeding by having his status as a nonviolator of the ACPA declared and by getting an injunction forcing a transfer of the disputed domain name back to him.<sup>102</sup> The court held that a provision of the ACPA explicitly provides a cause of action to registrants that lose their domain names in UDRP proceedings.<sup>103</sup> In addition, it also found that U.S. law trumps any independent arbitration process.<sup>104</sup> The court's review of the lower court's lack of subject matter jurisdiction was *de novo*.<sup>105</sup>

The federal question jurisdiction statute states that district courts have jurisdiction of all civil actions arising "under the Constitution, laws, or

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<sup>98</sup> *Sallen*, 273 F.3d at 14. The complainant in the case, Jay Sallen, a U.S. citizen, owned the domain name *corinthians.com*. *Id.* at 17. Sallen registered the domain name with Network Solutions, Inc., in August 1998. *Id.* at 20. Corinthians Licenciamentos LTDA, a Brazilian corporation with trademark rights in the mark CORINTHIAO, a Brazilian soccer team, filed a complaint with WIPO and was successful in obtaining an order to transfer the domain name. *Id.* at 21–22.

<sup>99</sup> *Id.* at 21–22.

<sup>100</sup> *Id.* at 22.

<sup>101</sup> *Id.*

<sup>102</sup> *See id.* at 16. "The ACPA prohibits the bad-faith registration, use or trafficking of domain names." Amy J. Benjamin & Joanne K. Moak, *To Sue or Not to Sue? New Protections to Stop Cybersquatters*, METROPOLITAN CORP. COUNS., NORTHEAST EDITION, Dec. 2001, at 4. "In addition, the ACPA requires that the potential infringing use be commercial." *Id.*

<sup>103</sup> *Sallen*, 273 F.3d at 26–27.

<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 23.

treaties of the United States.”<sup>106</sup> Sallen’s complaint alleged a cause of action under the ACPA for purposes of section 1331.<sup>107</sup>

The court reasoned that even though Corinthians Licenciamentos stated that it had no intent to sue Sallen under the ACPA, there was indeed a controversy.<sup>108</sup> The court determined that “subsection (D)(v) is best understood to provide domain name holders with a cause of action to rectify reverse domain name hijacking by trademark holders using the UDRP process to require registrants to transfer domain names originally held by rightful users under U.S. law.”<sup>109</sup>

### b. *The Results of Sallen*

*Sallen* ensures the legal footing for victims of reverse domain name hijacking. However, does it also create a dangerous situation for the UDRP? The answer to this question is yes for two reasons. First, *Sallen* undermines the entire purpose of the UDRP.<sup>110</sup> Second, *Sallen* will diminish the need to reform the UDRP.<sup>111</sup>

Considering ICANN’s major objectives in adopting the UDRP, it is obvious that the first two major objectives are thwarted by allowing UDRP decisions to be overridden by the ACPA. The first objective was to eliminate the multiple jurisdictions and laws applied to domain name disputes.<sup>112</sup> If a losing UDRP respondent can simply disregard the administrative decision

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<sup>106</sup> 28 U.S.C. § 1331 (2000).

<sup>107</sup> *Sallen*, 273 F.3d at 18. Sallen relied on the ACPA provision which states:

A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii) (II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including reactivation of the domain name to the domain name registrant.

Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1114(2)(D)(v) (2000).

<sup>108</sup> *Sallen*, 273 F.3d at 24–25.

<sup>109</sup> *Id.* at 29. “Essentially, this decision means that domain name registrants that have been unsuccessful in defending their domain names in UDRP proceedings, [sic] now have another remedy. They may seek relief in U.S. district courts by showing compliance with the ACPA, and essentially override UDRP decisions.” Nicole K. McLaughlin, *A Warning to Overreaching Trademark Owners: ACPA Gives Domain Name Registrants Cause of Action*, L. INTELLIGENCER, Jan. 3, 2002, at 5.

<sup>110</sup> *Ruling in Case Opens Post-Arbitration Window*, NAT’L JOURNAL’S TECH. DAILY, PM EDITION, Dec. 7, 2001, available at <http://www.lexis.com>.

<sup>111</sup> *Id.*

<sup>112</sup> See footnote 55 and accompanying text.

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and head to court, an entire new set of laws will be applied to the case. As previously discussed, UDRP panelists are working on building a comprehensive body of case law within the UDRP dispute resolution system.<sup>113</sup> As arbitrators apply this case law more often, it becomes more solid and reliable. Sending UDRP cases to federal court weakens this emerging body of case law. If a UDRP decision is overturned by a federal court, its value as precedent is questionable. It has not been technically “overruled” by any internally superior body; yet, it has been dealt a heavy blow by the court system. Arbitrators subsequently must decide if they will utilize the decision as precedent for future cases. They must consider that it was overruled in federal court on grounds that they may not have considered or agreed with.

The second objective of ICANN’s UDRP is to reduce the cost of resolving domain name disputes.<sup>114</sup> Re-starting the legal battle in a court would undo any cost and time savings achieved by using the UDRP procedure. Because there would be two sets of proceedings, the cost and time invested would actually be greater than if the case were taken only to federal court. This situation may be even more compounded and expensive if the counsel that represented the respondent in the UDRP proceedings is not experienced enough to represent him or her in a federal trial proceeding. The process of finding and interviewing new counsel and getting them up to speed on the details of the dispute is costly and time consuming.

The UDRP provides that a registrant is “*required* to submit to a mandatory administrative proceeding in the event that a third party (a “complainant”)” asserts a violation.<sup>115</sup> The *Sallen* decision takes the bite out of this requirement. “The overlap between the ACPA and the UDRP has the potential to severely limit the strength of the UDRP, at least where the [domain] name at issue appears sufficiently valuable to institute a federal action.”<sup>116</sup> What is the reason to submit to UDRP proceedings if the decision can be disregarded by a federal court? The decision in *Sallen* has the potential to turn UDRP proceedings into procedural hurdles for cases in which participants only go through the motions half-heartedly awaiting federal trial.

The UDRP is not perfect by any stretch of the imagination. Criticisms of the administrative process are not in short supply.<sup>117</sup> However, as Professor Michael Fromkin, frequent critic of ICANN and UDRP, has expressed,

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<sup>113</sup> See footnote 72.

<sup>114</sup> See footnote 56 and accompanying text.

<sup>115</sup> UDRP Policy, *supra* note 1, at § 4(a) (emphasis added).

<sup>116</sup> McLaughlin, *supra* note 109, at 5.

<sup>117</sup> See footnotes 67–97 and accompanying text.

there is a concern that by upholding a respondent's rights under the ACPA, the need to reform the entire UDRP process becomes less salient.<sup>118</sup> UDRP cases will now be appealed to the federal court, so any reforms aimed at creating an appeals process may be viewed as unnecessary. Additionally, any inherent weaknesses, such as lack of reliable precedent, may be endured because of the potential for federal appeal. Arbitrators may even become less conscientious in their decisions knowing they are not the final decision makers.

#### IV. CHANGES TO STRENGTHEN THE UDRP

Despite many criticisms that the UDRP is an imperfect system, a recent study argues that the system is working.<sup>119</sup> However, even after this study emerged, Stuart Lynn, the president of ICANN, released his assessment of the entire organization's effectiveness.<sup>120</sup> Lynn blames a flawed structure and not enough focus on core technical issues for "stalling the organization."<sup>121</sup> In the report, Lynn calls for deep reforms to improve ICANN's effectiveness.<sup>122</sup> This focus on technical issues may mean that in the future, the administration of the UDRP, which lacks a technical orientation, may be moved away from ICANN. However, regardless of which organization is administering the system, two immediate changes need to be made: increased judicial deference to UDRP decisions and the creation of an ICANN Review Panel.

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<sup>118</sup> *Ruling in Case Opens Post-Arbitration Window*, *supra* note 110.

<sup>119</sup> *Domains*, NAT'L JOURNAL'S TECH. DAILY, PM Edition, Feb. 21, 2002, available at <http://www.lexis.com>. The Max Planck Institute for Foreign and International Patent, Copyright, and Competition Law in Munich gave its approval to the UDRP after examining almost 700 domain name decisions. *Id.* While the study gave an overarching positive reaction, it pointed out several areas of concern, including the lack of precedent for the arbitrators to rely upon, free speech implications, and the need for an internal appeals process. *Id.* The study itself can be viewed in its entirety at <http://www.intellecprop.mpg.de/Online-Publikationen/2002/UDRP-study-final-02.pdf>.

<sup>120</sup> Martyn Williams, *ICANN President Calls for Deep Reforms*, INFOWORLD DAILY NEWS, Feb. 25, 2002, at 1, available at <http://www.lexis.com>.

<sup>121</sup> *Id.*

<sup>122</sup> *Id.* Lynn looks at the broader assessment of ICANN's entire organization, which oversees the technical aspect of the whole Internet system, of which, the UDRP is only a part. *Id.* A number of specific UDRP issues still need to be examined. *Id.*



### A. Deference to UDRP Decisions

Deference should be given by courts to ICANN's decisions under the UDRP. The UDRP is the most cost-effective method for trademark owners to obtain remedies. Furthermore, parties who register domain names have signed a contract where they have agreed to be bound by ICANN's procedures and decisions. In addition to these practical reasons, there are additional policy reasons why federal courts should give deference to UDRP decisions.

The purposes behind the ACPA and ICANN are similar, so courts should not be hesitant to rely upon UDRP decisions.<sup>123</sup> The ACPA was passed to "protect consumers and American business, to promote the growth of online commerce and to provide clarity in the law for trademark owners by prohibiting the bad-faith and abusive registration of distinctive marks . . . ."<sup>124</sup> ICANN was formed to preserve the operational stability of the Internet and to promote competition.<sup>125</sup> Courts and UDRP arbitration panels alike have tried not to sacrifice the promotion of competition in business by unreasonably emphasizing trademark rights. Reverse domain name hijacking is a real danger that needs to be addressed by both courts and UDRP panels.

Judicial economy is another important consideration for giving deference to UDRP decisions.<sup>126</sup> The argument can be made as follows: (1) with the addition of seven new top-level domains, the public will register thousands of new domain names;<sup>127</sup> (2) this increase in registrations will create an influx in domain name disputes;<sup>128</sup> (3) court dockets can be unburdened by these disputes if more deference is given to ICANN decisions;<sup>129</sup> and (4) as

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<sup>123</sup> In addition, ICANN is a regulatory body that knows more about domain name issues than any other entity. Howard, *supra* note 10, at 663. Representing every area of interest in the Internet community, ICANN is made up of experts whose goal is to make the Internet work efficiently and fairly. *Id.* at 662. It has even been proposed that ICANN decisions be treated as administrative agency decisions. *Id.* at 661.

<sup>124</sup> *Sporty's Farm, L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 495 (2d Cir. 2000) (citing S. REP. NO. 106-140, at 4 (1999)).

<sup>125</sup> ICANN Homepage, at <http://www.icann.org>.

<sup>126</sup> Howard, *supra* note 11, at 663. Judicial review would still be possible for cases that present injustice, or for closer cases. *Id.*

<sup>127</sup> *Id.*

<sup>128</sup> *Id.*

<sup>129</sup> *Id.*

<sup>130</sup> *Id.*

parties see that courts are giving deference to UDRP decisions, they will be less likely to file additional court proceedings.<sup>131</sup>

UDRP decisions should only be reviewed in federal court for abuse of discretion. Correspondingly, ICANN panels need to include ACPA analysis in their decisions in order to allow the court to rely upon their holdings more heavily. ICANN panelists should specifically declare if a domain name holder has established that the registration or use of the domain name is lawful under Section 1114(2)(D)(v) of the ACPA in order to provide a reviewing court the background decision information.

Some basic strengths of the UDRP support the idea that courts should give deference to decisions made under it. The UDRP is the most cost-efficient method of resolving domain name disputes, and registrants have signed a contract agreeing to submit to the proceedings.<sup>132</sup> This combination of contractual obligation and efficiency should lead to greater emphasis on the proceedings and their outcomes. Additionally, the purposes behind the ACPA and ICANN are almost identical.<sup>133</sup> No conflicting interests are present. Finally, judicial economy calls for courts to give UDRP proceedings deference in order to promote efficiency.

### B. ICANN Review Board

If more deference is granted to UDRP decisions, some internal improvements must then be made to ensure reliability and consistency. Poorly reasoned ICANN panel decisions run the risk of tainting the entire emerging body of "case" law.<sup>134</sup> To avoid this potential problem, ICANN should form a panel of individuals whose task is to review controversial rulings and conflicting results.<sup>135</sup> This Review Panel would recommend that certain ICANN rulings be abrogated.<sup>136</sup> "In other words, the review panel would determine that the particular doctrine, interpretation, or principle articulated in the case under review constitutes a misapplication of the

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<sup>131</sup> *Id.*

<sup>132</sup> See footnote 47 and accompanying text.

<sup>133</sup> See footnotes 123–25 and accompanying text.

<sup>134</sup> In the event that federal courts are willing to give UDRP decisions more deference, it will be vital to avoid this problem. It would be hard to convince a federal judge to rely upon UDRP reasoning if the decisions were inconsistent and poorly reasoned or written.

<sup>135</sup> Badgley, *supra* note 60, at 390.

<sup>136</sup> *Id.*

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Uniform Policy and should not be followed in future cases.”<sup>137</sup> This Review Panel would be comprised of a standing committee due to the unavailability of already busy ICANN members.<sup>138</sup>

### V. CONCLUSION

The UDRP’s attempt at simplifying the domain name dispute resolution process is a step in the right direction. However, the UDRP’s approach faces some huge hurdles. Recent federal case law is poised to render many of the UDRP’s benefits useless. Unless courts are willing to give UDRP decisions more deference, there is a chance that the UDRP will become a burden to domain name registrants instead of a tool to boost dispute resolution efficiency. The receipt of more deference from courts will not be the magic bullet that perfects the UDRP unless ICANN is, correspondingly, willing to make some improvements to boost reliability and create a stable body of case law for arbitrators to rely upon.

The UDRP has clearly established itself as a powerful tool to fight cybersquatting. Now that the Policy has been in place for over three years, ICANN should step back, evaluate the performance of the system, and implement appropriate improvements. The strength of the UDRP process lies in its ability to resolve disputes efficiently and consistently. ICANN needs to capitalize on this strength in order to ensure the UDRP’s arbitration procedure sees continued growth and success.

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<sup>137</sup> *Id.* Another option would be for these impartial arbitrators to review all the UDRP decisions and then publish advisory opinions to be cited as precedent in disputes decided after the advisory opinion is issued. If this procedure is implemented, it will only be proper to cite to advisory opinions in the complaint, response or other published decisions.

<sup>138</sup> *Id.* In an effort to represent Internet users and individual domain name registrants, some sort of election system is needed to select panel members. Perhaps a portion of the review board could be selected by these stakeholder groups and a portion could be selected by internal ICANN groups, just as a board of directors would be selected.

